

Financial Aid News

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

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Legislative update

Lawmakers get to work; historic deficit expected to dominate session

The Washington Legislature convened on Monday, and a \$2.4 billion budget deficit — the largest in state history — is expected to dominate its work this year. The fiscal crisis will likely inform debate on every major issue, including K-12 and higher education, transportation, and human services.

K-12 education generated the most news this week as an estimated 25,000 teachers and activists rallied in Olympia on Jan. 14. Higher education issues got decidedly less attention, in spite of a busy slate of hearings:

- Higher education committees in both houses, along with the House Appropriations Committee, heard testimony about Gov. Gary Locke's higher education budget; state agencies, colleges and universities, and the public were invited to respond to the governor's priorities.
- The House Higher Education Committee held a work session on financial aid.
- The Senate Higher Education Committee heard from former governors Dan Evans and Booth Gardner, who have proposed \$1.7 billion in bond sales to improve and expand the capacity of higher education campuses over the next 10 years.



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Lawmakers have begun introducing legislation. In the next issue, the *Financial Aid News* will begin listing those bills of interest to the financial aid community.

Next week's schedule of hearings on financial aid and higher education is included below. If you have questions about legislation, please call us at (360) 753-7850.

Online resources for tracking and analyzing legislation

Full text of bills and supporting materials:
<http://www.leg.wa.gov/wsladm/bills.cfm>

Complete legislative hearing schedule:
<http://www.leg.wa.gov/wsladm/calendar.cfm>

Live and archived Web broadcast of all hearings:
<http://www.tvw.org>

Hearings on financial aid and select higher education issues — Jan. 20 – 27

Monday, Jan. 20, 2003

Senate Higher Education Committee, 1:30 p.m., Senate Hearing Room 3

Work Session:

- Governor Locke's budget proposal; agency, institutional, and association responses
- Other business

Tuesday, Jan. 21, 2003

House Higher Education Committee, 1:30 p.m., House Hearing Room D

Work Session/Public Hearing:

- Mission and operation of the HECB, including staff overview; report by Washington State Institute for Public Policy; public comment

Senate Ways and Means Committee, 3:30 p.m., SHR 4

Work Session:

- Higher education budget issues

Wednesday, Jan. 22, 2003

House Higher Education Committee, 1:30 p.m., HHR D

Work Session/Public Hearing:

- Branch campuses, including interim report by Washington State Institute for Public Policy; panels representing main and branch campuses; public comment

Thursday, Jan. 23, 2003

Senate Higher Education Committee, 10:00 a.m., SHR 3

Work Session:

- "Vouchers in Public Higher Education, a Bad Idea Whose Time Has Come," Steve Jordan, President, Eastern Washington University; agency, institutional, and association responses; public comments as time allows
- Other business

Friday, Jan. 24, 2003

House Higher Education Committee, 8:00 a.m., HHR D

Work Session:

- Higher education facilities preservation
- HECB master plan update

Seattle P-I examines higher education funding in Washington

Weeklong series argues for public commitment to, and investment in, state higher education system

Public higher education is at a crossroads between excellence and mediocrity, according to a series of *Seattle Post-Intelligencer* editorials.

In the weeklong series, the *P-I* argues that slipping state support for higher education has weakened the system significantly:

- While other states took advantage of the economic boom of the '90s to invest heavily in higher education, Washington's state support for higher education did not keep pace with inflation.
- Current higher education facilities are outdated and not big enough to handle the current upward swell of enrollments, including the state's largest anticipated high school graduating class in 2008.
- Top-flight faculty are being lured away to other states, who can offer better facilities and higher salaries.
- As tuition increases, students and families keep being asked to bear more and more of the cost of instruction.

"Without new support," the *P-I* wrote, "Washington's higher education system will inevitably slide toward mediocrity." If it makes that slide, the *P-I* contends, the state's long-term social and economic well-being "stands in real peril."

The series, which ran Jan. 5 – 12, includes cartoons by David Horsey and a guest editorial by former governors Dan Evans and Booth Gardner. You can read it online at: [The road to mediocrity in funding higher education](#).

College Board panel calls for renewed commitment to need-based aid

Huge Pell increases top blue ribbon commission's list of recommendations

A blue ribbon panel of the College Board's National Dialogue on Student Financial Aid has called for a renewed commitment to need-based financial aid programs.

In its report, released Wednesday, the panel issued 10 practical recommendations for action to be taken by federal government, state governments, colleges and universities, and the private sector. The top recommendation is to increase substantially Pell Grant funding and guarantee adequate grant funding to cover average fixed costs of attendance (tuition, fees, room and board — currently \$9,700 nationally).

The recommendations address several threats to college access for low-income students:

- College costs have risen much more rapidly than family income during the past two decades.
- While federal and state governments have expanded their overall investment in college assistance, merit-based aid programs have been growing much faster than need-based programs.
- The spending power of the Pell Grant has declined dramatically — from 84 percent of the average public four-year cost of attendance in 1975-76 to 42 percent in 2001-02.
- Despite three decades of systematic investment in student aid, low-income families still face substantial “unmet need.”
- Low-income high school graduates — even those who achieve at high levels — are still less likely to begin college than most of their more affluent peers.

You can download the report online: [Challenging times, clear choices](#).

College Board blue ribbon panel recommendations

1. **Substantially increase Pell Grant funding** and guarantee adequate grant aid to cover average fixed charges (tuition, fees, room and board) incurred by students at four-year public colleges and universities nationwide — currently \$9,700 per year;
2. **Improve the terms available to students** under the federally funded and guaranteed loan programs; design effective insurance policies for borrowers whose post-college income is inadequate for repayment; provide loan forgiveness for students who enter and remain in certain key occupations and those who serve in high-need areas;
3. **Assure that growth in "merit" programs is not at the expense of need-based funding**, and that merit programs, while meeting other state needs, are still focused on promoting college access for needy students;
4. **Reaffirm commitment to need-based student aid** and strive to enroll larger numbers of students from low-income and underrepresented backgrounds;
5. **Improve the design of and increase the funding for federal matching programs** to induce states, institutions, and private entities to provide more need-based subsidies to students; increase the level of support to institutions that serve large percentages of high-need students;
6. **Simplify the federal financial aid application process** for students and reduce the regulatory/paperwork burdens imposed on institutions and financial aid officers; implement mechanisms for early notification of eligibility for financial aid;
7. **Link increases in tuition to increases in need-based aid**, to insulate financially needy students from effects of economic downturns;
8. **Increase support for programs that provide college success skills** and early information about college preparation, admissions, costs, and student financial aid, as well as those that connect and transition low-income and first-generation students to college and that promote retention and graduation;
9. **Support federal student support services** and provide incentives for institutions, states, and the private sector to fund student support and persistence services;
10. **Support and expand the role of clearinghouses that monitor and report on the success of students.**

Where the pork chop you eat may be someone's tuition

Missouri school finds novel approach for helping families pay college bills

A lagging economy has hit the farmers pretty hard around Lindenwood University in St. Charles, Mo. Recognizing that some Lindenwood parents were having trouble meeting the costs of attendance, President Dennis Spellmann came up with an innovative new payment plan. In lieu of cash, he'll take any commodity the university dining hall can use.

Junior Benton Haines, for example, covers his tuition payments in pigs, and Spellmann wants to expand the program to other commodities as well.

According to a *Los Angeles Times* report, Lindenwood appears to be the only school directly bartering with parents. However, a dozen other small independent colleges have signed on with trading networks. Members of such networks provide free labor and merchandise to each other in exchange for tuition payments.

The article, which was reprinted by *The Seattle Times*, is available online: [Barter system takes sting out of college tuition](#).